

May 25, 2005

Mr. Donald Abelson  
Chief, International Bureau  
Federal Communications Commission  
445 Twelfth St., SW  
Washington, DC 20554

**RECEIVED**

**AUG 16 2005**

**Federal Communications Commission  
Office of the Secretary**

Re: Potential Service Disruption in Jamaica

Dear Don,

As you know, the Jamaican government has chosen to implement a discriminatory program for boosting its universal service fund (USF) by proposing a levy on internationally terminated traffic. We write to provide some details on the current situation and seek your assistance with the Jamaican government to help ensure reasonable commercial solutions to the situation.

As you know, from June 1, all telecom carriers licensed to provide international termination in Jamaica will pay a universal service levy of U.S. three cents per minute on all incoming international minutes for termination on the fixed wired network. For incoming international minutes being terminated on cellular networks, the levy will be U.S. two cents. Not surprisingly, the Jamaican carriers have demanded that U.S. carriers begin paying these total surcharges immediately on June 1. U.S. carriers were not able to be involved in any open process for discussion of the implications of a proposed levy, while the Jamaican government worked extensively with Jamaican carriers – resulting in highly imperfect information flow at many levels. Importantly, the Ministry has been very clear that this charge only applies to international traffic and not domestic, thus effectively requiring U.S. carriers and consumers to fund this USF plan.

This disturbing lack of transparency has lead to an even more concerning situation whereby the government has assured the U.S. State Department that it does not support the use of service disruption as a means to force the U.S. carriers to agree to non-negotiated changes in rates and terms. At the same time, however, the Jamaican carriers have told U.S. carriers in multiple conversations that they have been told that they must provide the Jamaican government with proof of the new rates in service contracts or their licenses will be forfeit and that they may be required to disrupt service if necessary to gain agreement to these rates.

The U.S. government has already engaged in discussions with the Jamaican government, but, unfortunately this does not seem to have provided consistent clarity to the situation. FCC staff spoke with representatives of the Jamaican government during a recent visit to Washington. The U.S. State Department has been in close contact with both the U.S. Embassy in Jamaica and the Jamaican Embassy in Washington as well as with the Jamaican regulator and ministry.

Also, during this period, U.S. carriers have been involved in direct negotiations with the Jamaican carriers to seek a commercial resolution with, unfortunately, no results. U.S. carriers have met with the Ministry and the OUR, and have had numerous follow-up

contacts with these agencies as well as with the Jamaican ambassador here in Washington.

Recent FCC orders have appropriately highlighted the negative impacts of service disruptions. In its March, 2004 ISP Reform Order (IB Dockets 02-234 and 96-261) it stated:

We find, in particular, that blockage or disruption of U.S. carrier networks by foreign carriers directly harms the public interest, leads to decreases in call quality or completion and to potential increases in calling prices. Resorting to such retaliatory abuse of market power against U.S. carriers, as opposed to resolving disagreements through commercial negotiations, is unlikely ever appropriate or justified in the public interest and does not benefit the provision of international services to customers in the United States or abroad (para. 45).

In its March, 2003 AT&T Corp. Emergency Petition for Settlements Stop Payment Order (IB Docket 03-38), the International Bureau found:

The disruption of services is harmful to U.S. consumers because it results in inferior quality of service, and, eventually inflated calling prices as a result of greater costs U.S. carriers incur either by paying the demanded increased rates or by refilling their blocked traffic at higher rates.....We take prompt action because the Philippine carriers have chosen to disrupt services rather than to continue negotiations.....(para. 18).

We believe it would be timely and helpful for the International Bureau to contact appropriate officials in the Jamaican government as soon as possible to express concerns over the lack of transparency and the position of the Jamaican carriers. We believe that involvement by the FCC is a critical element of the U.S. government message to the Jamaicans, especially since U.S. consumers are impacted by this unilateral action. As in other scenarios, we believe that the Jamaican government should seek to foster fair and independent commercial negotiations. Our concern is that the government should not get involved inappropriately in commercial negotiations and, at a bare minimum, should explicitly communicate to its carriers that call disruption is an unacceptable negotiation tool.

Thank you for considering taking this important step, and we would be happy to provide any further information.

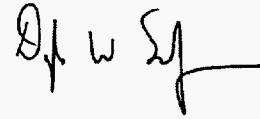
Sincerely,



Sasha Field  
Director, International Affairs  
Law and Public Policy  
MCI Corporation



David Nall  
General Attorney  
Sprint Corporation



Douglas Schoenberger  
Director  
International Government Affairs  
AT&T Corporation

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